

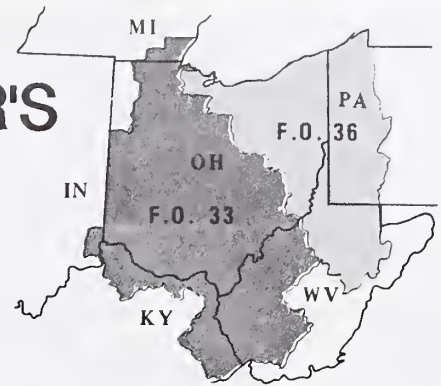
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# THE MARKET ADMINISTRATOR'S BULLETIN



Ohio Valley Marketing Area  
Federal Order No. 33

Eastern Ohio Western-Pennsylvania Marketing Area  
Federal Order No. 36

VOL. XXI-NO. 9

C. MACK ENDSLEY, Market Administrator

SEPTEMBER 1990

## Temporary Revision of Rules for Order 36

A temporary increase in the percentage of producer milk receipts that must be shipped by pool supply plants operated by both proprietary and cooperative associations handlers under the Eastern Ohio-Western Pennsylvania Milk Order went into effect September 1, 1990.

This action increases the percentage of milk receipts that must be shipped by pool supply plants to fluid milk processing plants from 40 percent to 45 percent during the months of September through November 1990, and from 30 percent to 35 percent in the months of December 1990 through February 1991. This action also increases the percentage of producer milk marketed by a cooperative association that must be delivered to distributing plants to qualify plants operated by the cooperative association for pool status from 35 percent to 40 percent for the months of September 1990 through February 1991.

Increases of 10 percentage points in the minimum performance standards for such supply

plants were requested by a proprietary handler who needs more milk for fluid packaging. The more conservative increase of 5 percentage points provided should be adequate to assure area consumers of an adequate supply of fluid milk products.

## Highlights Commercial Disappearance Production and Sales -January to May 1990-\*

Through the first five periods of 1990, the commercial disappearance of **Butter** has increased by 17.5% over the same period a year previous. Some of this gain is attributable to an error in the USDA data from last year. It is expected that the commercial disappearance of butter will be raised for May 1989. This will result in a lowering of the percentage comparison for the first five months of 1990. However, even with this modification, there should still be a strong gain for butter.

This adjustment will also be reflected in the calculations for the commercial disappearance of **Total Milk**. Currently, compared to the

first five months of 1989, the commercial disappearance of total milk has risen by 5.1% for the period January to May 1990. Even with the revision, an increase of over four percent should still be seen.

The commercial disappearance of **Total Cheese** also has increased over the first five months of 1990, by 7.8%. Both the commercial disappearance of **American Cheese** and the commercial disappearance of **Other Cheese** have shared in this increase, rising by 7.2% and 8.2% respectively.

The commercial disappearance of **Nonfat Dry Milk** has fallen by 11.1% in the period January to May 1990 compared to the same period a year earlier.

The sales of **Fluid Milk** in Federal Order Markets has fallen by 0.4% in the first five months of 1990. Declines in the volume of whole milk sold were not offset by increases in the volume of lowfat/skim milk sold.

*\*SOURCE: National Dairy Promotion and Research Board - Vol. 6, Issue 8 - August 1990.*

## New National Strategy to Help Dairymen to Compete in 1990's\*

ARLINGTON, VA-- To increase the power of each dollar in dairy promotion and research, dairy industry leaders have developed a strategic marketing plan for the 1990's, according to Missouri dairy farmer Lester Evans.

Evans is chairman of the National Dairy Board, one of the organizations participating in the Strategic Marketing Alliance. The SMA formed a committee of 21 producers and promotion managers 18 months ago to develop a plan to pull the dairy industry together around a common marketing direction.

The Strategic Marketing Plan is designed to improve the return on research and promotion investment by making the dairy industry a tougher competitor in the 1990's.

"At the beginning, we agreed our core strategy is for the dairy industry to be market-driven in the 1990's," Evans said. "That means real consumer wants and needs will be revealed through consumer market research. Then promotion programs and product developments that meet these wants and needs will receive top priority."

Specifically, the strategic marketing plan directs the 15-cent promotion and research groups to:

*Choose current promotion priorities using market research as a guide.*

-market segments will be evaluated

for growth potential.

-distribution channel market segments will be targeted.

-nutrition and product research will respond to market segment needs.

*Establish a system to choose future promotion priorities.*

-future market research will target major opportunities for increasing sales.

-all dairy product and milk component opportunities will be evaluated.

"The plan does not mean dairy products and consumers will see any drastic change in dairy promotion messages. It's a voluntary system that creates a common marketing strategy which every region can use to build upon their current program," Evans said.

When all of the recommended actions are in place dairy industry market researchers estimate consumption of all dairy products will increase. For fluid milk consumption alone, researchers project a full percentage point more growth in consumption than the increase resulting from population growth. That's \$64 million more in dairy farmers' pockets.

"It's possible to do this with better targeted, more efficient marketing that channels the right products to the right consumer segments," Evans said. "Other marketers are doing it every day for Doritos, Snickers and Gatorade. Dairymen can do as well or better for

milk, cheese and ice cream."

In addition to increasing consumption, the plan's recommended actions are designed to increase efficiency.

Over time, coordination towards common goals will save the dairy industry millions of dollars. To begin with, for example, coordination of education programs between NDB and the National Dairy Council has already saved dairymen \$160,000 this year, Evans said.

Evans stressed that developing and unveiling the plan is only the first step. Successfully managing rapidly changing technology, new environmental issues and changing consumer preferences for the good of the dairy farmer, requires the cooperation and coordination of every part of the dairy industry, he said.

Dairy industry leaders and producers are invited to participate in a National Forum on the strategic marketing plan in Denver, October 1 and 2. NDB will release a summary of the Forum. Forum proceedings will be issued immediately following the Forum.

The National Dairy Promotion and Research Board, composed of 36 dairy farmers, was established by The Dairy and Tobacco Adjustment Act of 1983 to develop and administer a coordinated program of promotion, research and nutrition education to strengthen the dairy industry position in the marketplace. This effort is financed by America's dairy farmers.

\* National Dairy Board - Aug. 31, 1990.

## FEDERAL ORDER NO's 33 AND 36 COMBINED MARKET STATISTICS

|  | AUGUST<br>1990 | JULY<br>1990 | AUGUST<br>1989 |
|--|----------------|--------------|----------------|
| Total Producer Milk .....                | 517,042,450    | 524,715,734  | 494,727,335    |
| Class I Producer Milk .....              | 283,974,261    | 265,985,053  | 279,493,052    |
| Class II Producer Milk .....             | 94,915,566     | 103,083,403  | 103,635,221    |
| Class III Producer Milk .....            | 138,152,623    | 155,647,278  | 111,599,062    |
| Percent Class I .....                    | 64.9           | 50.7         | 56.5           |
| Percent Class II .....                   | 18.4           | 19.6         | 20.9           |
| Percent Class III .....                  | 26.7           | 29.7         | 22.6           |
| Number Producer Farms .....              | 8,189          | 8,163        | 8,282          |
| Daily Average Productions per Farm ..... | 2,037          | 2,074        | 1,927          |
| Daily Average Producer Milk .....        | 16,678,789     | 16,926,314   | 15,958,946     |
| Number of Reporting Handlers .....       | 61             | 62           | 63             |



## FEDERAL ORDER 33 MARKET SUMMARY FOR AUGUST 1990

Gross Class I utilization averaged 3,993,973 pounds per day during August 1990. On a daily basis this was a increase of 7.6% from the previous month and 8.7% more than August 1989.<sup>1/</sup>

The August 1990 Class I utilization of producer milk totaled 119,041,414 pounds or 54.8% of the reported producer receipts. This utilization percentage is 2.4% more than last month and .2% more than August 1989.<sup>1/</sup>

The average butterfat test for gross Class I utilization was 2.2% for August 1990.

Receipts from 3,246 producers by 25 pool handlers regulated by Order No. 33 averaged 7,010,698 pounds daily for August 1990. On a daily basis this was .4% more than last month and 13.6% more than August 1989.<sup>1/</sup>

Producers supplying the market increased by 49 from the July 1990 total and increased by 292 from August 1989. The daily average producer receipts per farm of 2,160 pounds were 23 less than the previous month. On a daily basis this is 71 pounds more than August 1989.<sup>1/</sup>

The August 1990 Class I price was \$15.32 per hundredweight for 3.5% milk delivered to pool plants in Zone 3. This was 50 cents more than the July 1990 Class I price and \$1.95 more than the August 1989 price. Prices for Class I milk in parts of the marketing area other than Zone 3 reflect the specified location adjustment of minus 24 cents in Zone 1, minus 14 cents in Zone 2, plus 7 cents in Zone 4 and plus 15 cents in Zone 5.

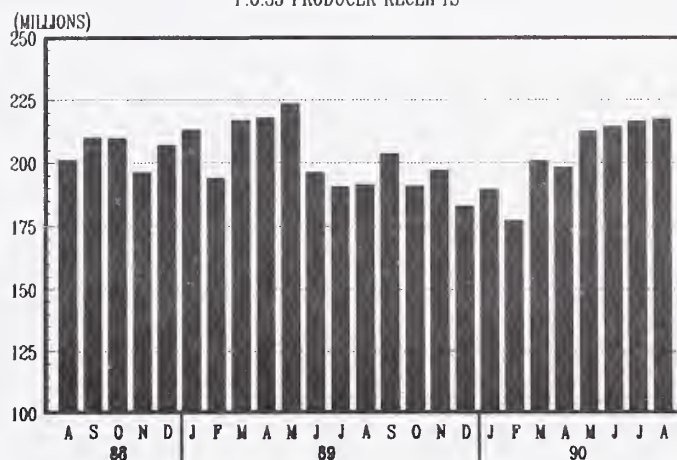
The Class II price for August 1990 was \$13.77. This was 26 cents more than the July 1990 Class II price and \$1.38 more than the August 1989 Class II price.

The Class III price of \$13.09 for August 1990 was 34 cents less than the previous month and 72 cents more than the August 1989 Class III price.

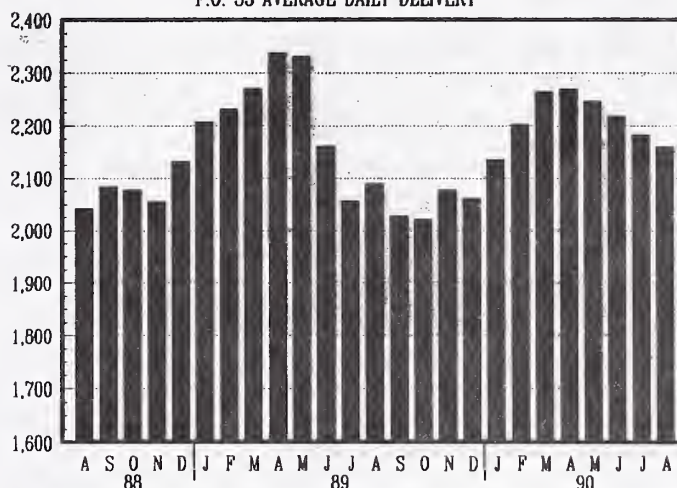
The September 1990 Class I price will be \$15.47 for 3.5% milk.

<sup>1/</sup> Comparisons to previous periods are magnified due to changes in the handlers included in the pool.

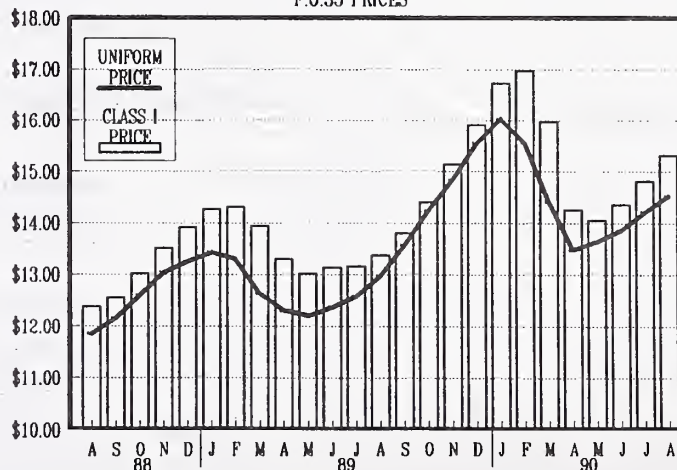
F.O.33 PRODUCER RECEIPTS



F.O. 33 AVERAGE DAILY DELIVERY



F.O.33 PRICES



**COMPUTATION OF UNIFORM PRICE FOR AUGUST 1990**  
**BASED ON HANDLERS' REPORTS TO THE MARKET ADMINISTRATOR**  
**OHIO VALLEY MILK MARKETING AREA**

|   | <u>PERCENT</u> | <u>MILK<br/>POUNDS</u> | <u>3.5% PRICE<br/>PER CWT.</u> | <u>TOTAL<br/>VALUE</u> |
|---|----------------|------------------------|--------------------------------|------------------------|
| Class I Producer Milk                               | 54.8           | 119,041,414            | \$15.32                        | \$18,237,144.62        |
| Class II Producer Milk                              | 26.5           | 57,557,968             | 13.77                          | 7,925,732.19           |
| Class III Producer Milk                             | 18.7           | 40,732,248             | 13.09                          | 5,331,851.26           |
| <b>TOTAL PRODUCER MILK</b>                          | 100.0          | 217,331,630            |                                | \$31,494,728.07        |
| Other Source 1033.60(g) Class I                     |                |                        |                                | 0.00                   |
| <b>TOTAL MILK IN POOL</b>                           |                | 217,331,630            |                                | \$31,494,728.07        |
| Value of Overage                                    |                |                        |                                | 3,397.56               |
| Value of Inventory Adjustment                       |                |                        |                                | 8,382.85               |
| Value of Other Source                               |                |                        |                                | 0.00                   |
| Value of Class I Location Differentials             |                |                        |                                | 29,698.22              |
| Value of Audit Adjustments                          |                |                        |                                | 22,339.10              |
| <b>TOTAL POOL VALUE</b>                             |                |                        |                                | \$31,558,545.80        |
| Value of Producer Location Differentials            |                |                        |                                | 31,624.03              |
| 1/2 Unobligated Balance in Producer Settlement Fund |                |                        |                                | 85,012.60              |
| <b>POOL MILK AND ADJUSTED VALUE</b>                 |                | 217,331,630            | \$14.574585                    | \$31,675,182.43        |
| Producer Settlement Fund Reserve                    |                |                        | 0.044585                       |                        |
| <b>WEIGHTED AVERAGE PRICE</b>                       |                | 217,331,630            | \$14.53                        | \$31,675,182.43        |
| Other Source 1033.60(g) x Wt. Avg. Price            |                |                        | 14.53                          | 0.00                   |
| <b>PRODUCER MILK AND ADJUSTED VALUE</b>             |                | 217,331,630            | \$14.574585                    | \$31,675,182.43        |
| Producer Settlement Fund Reserve                    |                |                        | 0.044585                       | (96,896.59)            |
| <b>UNIFORM PRICE FOR 3.5% MILK</b>                  |                | 217,331,630            | \$14.53                        | \$31,578,285.84        |

Uniform Price Subject to Location Differentials

**PRODUCER BUTTERFAT DIFFERENTIAL..... \$ .114**

**AVERAGE PRODUCER BUTTERFAT TEST.... 3.48%**

|              | <u>PRODUCER<br/>B.F. LBS.</u> | <u>PERCENT</u> |
|--------------|-------------------------------|----------------|
| Class I      | 2,595,546                     | 34.3           |
| Class II     | 2,784,195                     | 36.8           |
| Class III    | 2,193,614                     | 28.9           |
| <b>TOTAL</b> | 7,573,355                     | 100.0          |

(Minus Figures in parentheses)

# **MARKET STATISTICS** FEDERAL ORDER NO. 33

|                         | AUGUST 1990 |            | JULY 1990 |            | AUGUST 1989 |            |
|-------------------------|-------------|------------|-----------|------------|-------------|------------|
|                         | 3.5% Milk   | B.F. Diff. | 3.5% Milk | B.F. Diff. | 3.5% Milk   | B.F. Diff. |
| <b>PRICE SUMMARY</b>    |             |            |           |            |             |            |
| Producers' Uniform..... | \$14.53*    | \$0.114    | \$14.21*  | \$0.115    | \$12.97*    | \$0.153    |
| Class I.....            | 15.32*      | 0.114      | 14.82*    | 0.115      | 13.37*      | 0.153      |
| Class II.....           | 13.77       | 0.114      | 13.51     | 0.115      | 12.39       | 0.153      |
| Class III.....          | 13.09       | 0.114      | 13.43     | 0.115      | 12.37       | 0.153      |

\* Zone 3. Zone 1 minus 24 cents. Zone 2 minus 14 cents. Zone 4 plus 7 cents. Zone 5 plus 15 cents.

|   | AUGUST<br>1990 | JULY<br>1990 | AUGUST<br>1989 |
|---|----------------|--------------|----------------|
| <b>PRODUCER MILK CLASSIFICATION</b>             |                |              |                |
| <b>TOTAL PRODUCER MILK</b> .....                | 217,331,630    | 216,365,208  | 191,334,128    |
| Percent Class I .....                           | 54.8           | 52.4         | 54.6           |
| Percent Class II .....                          | 26.5           | 28.0         | 31.0           |
| Percent Class III .....                         | 18.7           | 19.6         | 14.4           |
| <b>UTILIZATION SUMMARY</b>                      |                |              |                |
| <b>CLASS I PRODUCER MILK</b> .....              | 119,041,414    | 113,396,215  | 104,485,398    |
| Opening Inventory .....                         | 23,993         | -0-          | 172,011        |
| Other Source - Unregulated .....                | 39,416         | 37,393       | 44,609         |
| Other Source - Other Order .....                | 4,708,341      | 1,616,446    | 9,204,296      |
| Overage .....                                   | -0-            | 344          | -0-            |
| <b>TOTAL CLASS I</b> .....                      | 123,813,164    | 115,050,398  | 113,906,314    |
| <b>CLASS II PRODUCER MILK</b> .....             | 57,557,968     | 60,556,969   | 59,397,728     |
| Opening Inventory .....                         | 2,455,238      | 709,355      | 1,170,087      |
| Other Source - Unregulated .....                | 14,334,225     | 12,883,733   | 9,599,632      |
| Other Source - Other Order .....                | 521,526        | 92,249       | 2,547,921      |
| Overage .....                                   | -0-            | -0-          | 289            |
| <b>TOTAL CLASS II</b> .....                     | 74,868,957     | 74,242,306   | 72,715,657     |
| <b>CLASS III PRODUCER MILK</b> .....            | 40,732,248     | 42,412,024   | 27,451,002     |
| Opening Inventory .....                         | 14,306,181     | 13,065,181   | 12,451,935     |
| Other Source - Unregulated .....                | 1,514,328      | 680,157      | 617,867        |
| Other Source - Other Order .....                | 3,482,580      | 1,445,119    | 4,958,566      |
| Overage .....                                   | 2,760          | 822          | 18,283         |
| <b>TOTAL CLASS III</b> .....                    | 60,038,097     | 57,603,303   | 45,497,653     |
| <b>TOTAL RECEIPTS AND UTILIZATION</b> .....     | 258,720,218    | 246,896,007  | 232,119,624    |
| <b>PRODUCTION SUMMARY</b>                       |                |              |                |
| Percent Butterfat - Producer Milk .....         | 3.48           | 3.49         | 3.51           |
| Number Producer Farms .....                     | 3,246          | 3,197        | 2,954          |
| Daily Average Production per Farm .....         | 2,160          | 2,183        | 2,089          |
| Daily Average Producer Milk .....               | 7,010,698      | 6,979,523    | 6,172,069      |
| Daily Average Producer - Class I .....          | 3,840,046      | 3,657,942    | 3,370,497      |
| Percent Producer Milk to Class I .....          | 182.6          | 190.8        | 183.1          |
| Percent Gross Class I to Producer Class I ..... | 104.0          | 101.5        | 109.0          |
| Number of Reporting Handlers .....              | 25             | 26           | 26             |
| Value of Producer Milk at Test .....            | \$31,508,755   | \$30,705,532 | \$24,811,255   |
| Income per Farm (Monthly Average) .....         | \$9,707        | \$9,604      | \$8,399        |

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AREA CODE: 614  
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# OHIO VALLEY MARKETING SUMMARY ( 25 Months )

|      | PRICES  |          |           |          |            | PRODUCTION  |             |            |            | # of Farms | Daily Avg. Del. |
|------|---------|----------|-----------|----------|------------|-------------|-------------|------------|------------|------------|-----------------|
|      | Class I | Class II | Class III | Uni-form | B.F. Diff. | Total       | Class I     | Class II   | Class III  |            |                 |
| 1988 |         |          |           |          |            |             |             |            |            |            |                 |
| AUG  | \$12.38 | \$10.98  | \$10.98   | \$11.85  | 0.156      | 201,084,952 | 117,313,285 | 66,143,322 | 17,628,345 | 3,176      | 2,042           |
| SEP  | \$12.56 | \$11.48  | \$11.48   | \$12.15  | 0.154      | 209,931,772 | 119,545,407 | 63,291,430 | 27,094,935 | 3,360      | 2,083           |
| OCT  | \$13.02 | \$11.88  | \$11.88   | \$12.59  | 0.152      | 209,776,318 | 119,874,795 | 63,899,905 | 26,001,618 | 3,258      | 2,077           |
| NOV  | \$13.52 | \$12.23  | \$12.23   | \$13.04  | 0.151      | 196,227,209 | 116,702,004 | 52,285,094 | 27,240,111 | 3,184      | 2,054           |
| DEC  | \$13.92 | \$12.27  | \$12.27   | \$13.25  | 0.151      | 206,978,433 | 118,307,309 | 54,668,142 | 34,002,982 | 3,132      | 2,132           |
| 1989 |         |          |           |          |            |             |             |            |            |            |                 |
| JAN  | \$14.27 | \$12.52  | \$11.90   | \$13.43  | 0.151      | 212,948,302 | 118,762,207 | 55,450,055 | 38,736,040 | 3,113      | 2,207           |
| FEB  | \$14.31 | \$12.52  | \$11.26   | \$13.30  | 0.151      | 193,819,227 | 104,303,912 | 52,276,964 | 37,238,351 | 3,103      | 2,231           |
| MAR  | \$13.94 | \$10.98  | \$10.98   | \$12.63  | 0.151      | 216,942,814 | 117,544,350 | 56,023,338 | 43,375,126 | 3,081      | 2,271           |
| APR  | \$13.30 | \$11.35  | \$11.09   | \$12.30  | 0.151      | 217,874,692 | 110,070,551 | 55,246,823 | 52,557,318 | 3,106      | 2,338           |
| MAY  | \$13.02 | \$11.29  | \$11.12   | \$12.20  | 0.151      | 223,492,713 | 116,187,203 | 59,980,928 | 47,324,582 | 3,094      | 2,330           |
| JUN  | \$13.13 | \$11.36  | \$11.33   | \$12.37  | 0.151      | 196,153,357 | 105,063,517 | 57,509,874 | 33,579,966 | 3,025      | 2,161           |
| JUL  | \$13.16 | \$11.76  | \$11.76   | \$12.58  | 0.150      | 190,614,822 | 104,542,229 | 57,224,990 | 28,847,603 | 2,990      | 2,056           |
| AUG  | \$13.37 | \$12.39  | \$12.37   | \$12.97  | 0.153      | 191,334,128 | 104,485,398 | 59,397,728 | 27,451,002 | 2,954      | 2,089           |
| SEP  | \$13.80 | \$13.10  | \$13.10   | \$13.57  | 0.144      | 203,721,387 | 123,138,462 | 56,394,113 | 24,188,812 | 3,352      | 2,026           |
| OCT  | \$14.41 | \$13.87  | \$13.87   | \$14.24  | 0.139      | 190,798,845 | 113,143,860 | 53,117,424 | 24,537,561 | 3,047      | 2,020           |
| NOV  | \$15.14 | \$14.03  | \$14.69   | \$14.84  | 0.139      | 196,827,487 | 124,150,025 | 48,598,788 | 24,078,674 | 3,159      | 2,077           |
| DEC  | \$15.91 | \$14.86  | \$14.93   | \$15.55  | 0.138      | 182,827,065 | 111,474,711 | 45,285,507 | 26,066,847 | 2,861      | 2,061           |
| 1990 |         |          |           |          |            |             |             |            |            |            |                 |
| JAN  | \$16.73 | \$15.43  | \$13.94   | \$16.02  | 0.127      | 189,470,831 | 115,868,484 | 41,908,837 | 31,693,510 | 2,863      | 2,135           |
| FEB  | \$16.97 | \$14.22  | \$12.22   | \$15.56  | 0.124      | 177,354,553 | 105,456,113 | 40,697,947 | 31,200,493 | 2,877      | 2,202           |
| MAR  | \$15.98 | \$11.80  | \$12.02   | \$14.41  | 0.124      | 200,885,586 | 123,000,632 | 47,199,211 | 30,685,743 | 2,861      | 2,265           |
| APR  | \$14.26 | \$12.42  | \$12.32   | \$13.47  | 0.123      | 198,306,849 | 111,931,986 | 48,698,618 | 37,676,245 | 2,913      | 2,269           |
| MAY  | \$14.06 | \$13.18  | \$12.78   | \$13.64  | 0.114      | 212,471,323 | 118,321,287 | 50,617,337 | 43,532,699 | 3,051      | 2,246           |
| JUN  | \$14.36 | \$13.16  | \$13.28   | \$13.85  | 0.113      | 214,356,744 | 114,337,971 | 58,892,410 | 41,126,363 | 3,221      | 2,218           |
| JUL  | \$14.82 | \$13.51  | \$13.43   | \$14.21  | 0.115      | 216,365,208 | 113,396,215 | 60,556,969 | 42,412,024 | 3,197      | 2,183           |
| AUG  | \$15.32 | \$13.77  | \$13.09   | \$14.53  | 0.114      | 217,331,630 | 119,041,414 | 57,557,968 | 40,732,248 | 3,246      | 2,160           |



# EASTERN OHIO - WESTERN PENNSYLVANIA MARKETING SUMMARY ( 25 Months )

|      | PRICES  |          |           |          |            | PRODUCTION  |             |            |             | # of Farms | Daily Avg. Del. |
|------|---------|----------|-----------|----------|------------|-------------|-------------|------------|-------------|------------|-----------------|
|      | Class I | Class II | Class III | Uni-form | B.F. Diff. | Total       | Class I     | Class II   | Class III   |            |                 |
| 1988 |         |          |           |          |            |             |             |            |             |            |                 |
| AUG  | \$12.34 | \$10.98  | \$10.98   | \$11.73  | 0.156      | 320,263,132 | 171,478,945 | 53,942,080 | 94,842,107  | 5,400      | 1,913           |
| SEP  | \$12.52 | \$11.48  | \$11.48   | \$12.08  | 0.154      | 314,655,138 | 176,886,127 | 45,524,773 | 92,244,238  | 5,450      | 1,924           |
| OCT  | \$12.98 | \$11.88  | \$11.88   | \$12.54  | 0.152      | 314,208,462 | 182,128,844 | 39,205,161 | 92,874,457  | 5,361      | 1,891           |
| NOV  | \$13.48 | \$12.23  | \$12.23   | \$12.98  | 0.151      | 302,624,809 | 176,907,641 | 28,411,770 | 87,305,398  | 5,398      | 1,869           |
| DEC  | \$13.88 | \$12.27  | \$12.27   | \$13.17  | 0.151      | 324,299,611 | 180,916,152 | 38,385,175 | 104,998,284 | 5,423      | 1,929           |
| 1989 |         |          |           |          |            |             |             |            |             |            |                 |
| JAN  | \$14.23 | \$12.52  | \$11.90   | \$13.21  | 0.151      | 334,161,026 | 177,999,209 | 35,133,277 | 121,028,540 | 5,430      | 1,985           |
| FEB  | \$14.27 | \$12.52  | \$11.26   | \$13.05  | 0.151      | 307,946,808 | 167,535,504 | 35,283,138 | 105,128,166 | 5,413      | 2,032           |
| MAR  | \$13.90 | \$10.98  | \$10.98   | \$12.51  | 0.151      | 349,585,804 | 183,258,976 | 43,721,754 | 122,605,074 | 5,432      | 2,076           |
| APR  | \$13.26 | \$11.35  | \$11.09   | \$12.22  | 0.151      | 342,645,416 | 172,508,393 | 39,982,225 | 130,154,798 | 5,403      | 2,114           |
| MAY  | \$12.98 | \$11.29  | \$11.12   | \$12.09  | 0.151      | 356,146,348 | 180,156,250 | 46,939,236 | 129,050,862 | 5,370      | 2,139           |
| JUN  | \$13.09 | \$11.36  | \$11.33   | \$12.23  | 0.151      | 320,776,618 | 162,414,891 | 48,220,707 | 110,141,020 | 5,289      | 2,022           |
| JUL  | \$13.12 | \$11.76  | \$11.76   | \$12.53  | 0.150      | 300,463,614 | 166,796,276 | 44,743,700 | 88,923,638  | 5,244      | 1,848           |
| AUG  | \$13.33 | \$12.39  | \$12.37   | \$12.94  | 0.153      | 303,393,207 | 175,007,654 | 44,237,493 | 84,148,060  | 5,328      | 1,837           |
| SEP  | \$13.76 | \$13.10  | \$13.10   | \$13.53  | 0.144      | 252,993,696 | 153,929,052 | 27,359,422 | 71,705,222  | 4,675      | 1,804           |
| OCT  | \$14.37 | \$13.87  | \$13.87   | \$14.19  | 0.139      | 280,641,710 | 170,576,961 | 29,759,074 | 80,305,675  | 4,920      | 1,840           |
| NOV  | \$15.10 | \$14.03  | \$14.69   | \$14.89  | 0.139      | 252,596,746 | 152,209,511 | 28,491,237 | 71,895,998  | 4,617      | 1,824           |
| DEC  | \$15.87 | \$14.86  | \$14.93   | \$15.49  | 0.138      | 285,514,186 | 170,873,792 | 28,093,577 | 86,546,817  | 4,980      | 1,849           |
| 1990 |         |          |           |          |            |             |             |            |             |            |                 |
| JAN  | \$16.69 | \$15.43  | \$13.94   | \$15.67  | 0.127      | 297,773,683 | 172,124,190 | 24,743,854 | 100,905,639 | 4,949      | 1,941           |
| FEB  | \$16.93 | \$14.22  | \$12.22   | \$15.07  | 0.124      | 279,436,741 | 156,060,950 | 29,576,023 | 93,799,768  | 4,960      | 2,012           |
| MAR  | \$15.94 | \$11.80  | \$12.02   | \$14.17  | 0.124      | 319,328,534 | 176,488,192 | 34,611,788 | 108,228,554 | 4,978      | 2,069           |
| APR  | \$14.22 | \$12.42  | \$12.32   | \$13.32  | 0.123      | 314,139,571 | 159,764,545 | 35,328,250 | 119,046,776 | 5,046      | 2,075           |
| MAY  | \$14.02 | \$13.18  | \$12.78   | \$13.44  | 0.114      | 341,567,620 | 167,133,088 | 41,228,504 | 133,206,028 | 5,092      | 2,164           |
| JUN  | \$14.32 | \$13.16  | \$13.28   | \$13.78  | 0.113      | 320,222,579 | 155,460,831 | 37,018,096 | 127,743,652 | 5,027      | 2,123           |
| JUL  | \$14.78 | \$13.51  | \$13.43   | \$14.11  | 0.115      | 308,350,526 | 152,588,838 | 42,526,434 | 113,235,254 | 4,966      | 2,003           |
| AUG  | \$15.28 | \$13.77  | \$13.09   | \$14.38  | 0.114      | 299,710,820 | 164,932,847 | 37,357,598 | 97,420,375  | 4,943      | 1,956           |

## FEDERAL ORDER 36 MARKET SUMMARY FOR AUGUST 1990

Gross Class I utilization averaged 5,322,828 pounds per day during August 1990. On a daily basis this was a increase of 7.9% from the previous month and 5.7% less than August 1989.<sup>1/</sup>

The August 1990 Class I utilization of producer milk totaled 164,932,847 pounds or 55.0% of the reported producer receipts. This utilization percentage is 5.5% more than last month and 2.7% less than August 1989.<sup>1/</sup>

The average butterfat test for gross Class I utilization was 2.2% for August 1990.

Receipts from 4,943 producers by 36 pool handlers regulated by Order No. 36 averaged 9,668,091 pounds daily for August 1990. On a daily basis this was 2.8% less than last month and 1.2% less than August, 1989.<sup>1/</sup>

Producers supplying the market decreased by 23 from the July 1990 total and decreased by 385 from August 1989. The daily average producer receipts per farm of 1,956 pounds were 47 less than the previous month. On a daily basis this is 119 pounds more than August 1989.<sup>1/</sup>

The August 1990 Class I price was \$15.28 per hundredweight for 3.5% milk delivered to pool plants. This was 50 cents more than the July 1990 Class I price and \$1.95 more than the August 1989 price.

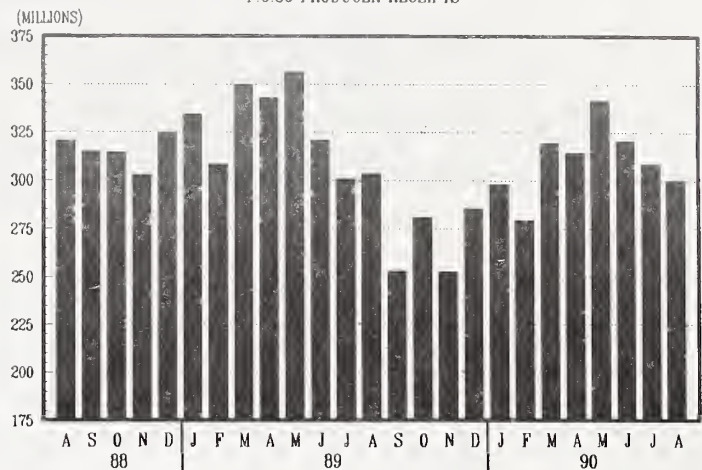
The Class II price for August 1990 was \$13.77. This was 26 cents more than the July 1990 Class II price and \$1.38 more than the August 1989 Class II price.

The Class III price of \$13.09 for August 1990 was 34 cents less than last month and 72 cents more than the August 1989 Class III price.

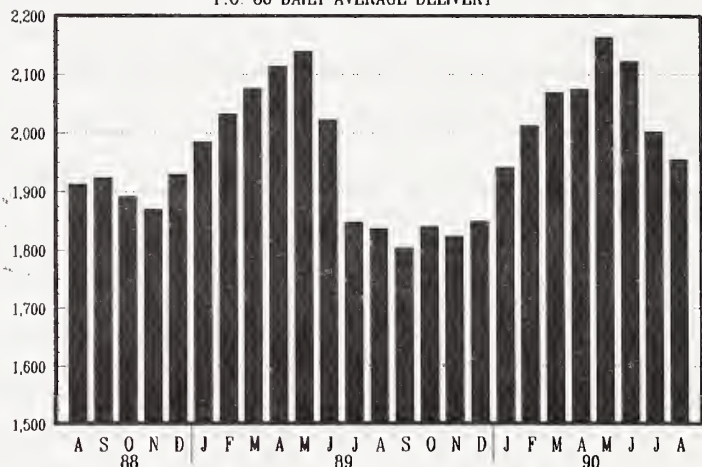
The September 1990 Class I price will be \$15.43 for 3.5% milk.

<sup>1/</sup> Comparisons to previous periods are magnified due to changes in the handlers included in the pool.

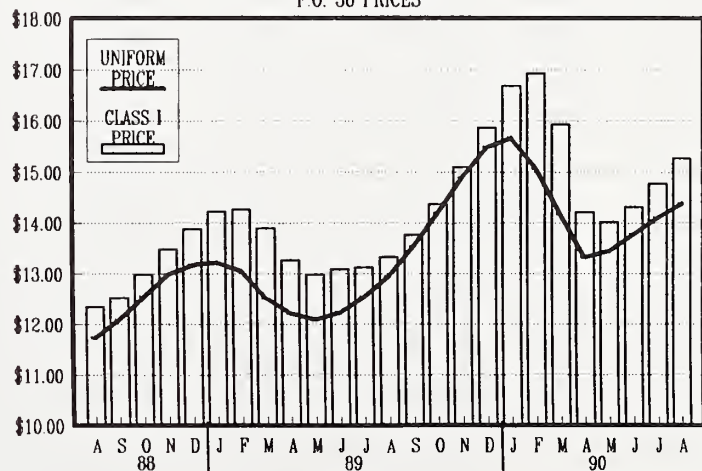
F.O.36 PRODUCER RECEIPTS



F.O. 36 DAILY AVERAGE DELIVERY



F.O. 36 PRICES



**COMPUTATION OF UNIFORM PRICE FOR AUGUST 1990  
BASED ON HANDLERS' REPORTS TO THE MARKET ADMINISTRATOR  
EASTERN OHIO - WESTERN PENNSYLVANIA MARKETING AREA**

|   | <u>PERCENT</u> | <u>MILK<br/>POUNDS</u> | <u>3.5% PRICE<br/>PER CWT.</u> | <u>TOTAL<br/>VALUE</u> |
|---|----------------|------------------------|--------------------------------|------------------------|
| Class I Producer Milk                               | 55.03          | 164,932,847            | 15.28                          | \$25,201,739.02        |
| Class II Producer Milk                              | 12.46          | 37,357,598             | 13.77                          | 5,144,141.24           |
| Class III Producer Milk                             | 32.51          | 97,420,375             | 13.09                          | 12,752,327.09          |
| <b>TOTAL PRODUCER MILK</b>                          | <b>100.00</b>  | <b>299,710,820</b>     |                                | <b>\$43,098,207.35</b> |
| Unregulated Supply Plant Receipts Class I           |                | 0                      |                                | .00                    |
| <b>TOTAL MILK IN POOL</b>                           |                | <b>299,710,820</b>     |                                | <b>\$43,098,207.35</b> |
| Value of Overage                                    |                |                        |                                | 6,904.50               |
| Value of Beginning Inventory and OS Charges         |                |                        |                                | 3,852.48               |
| Net Handler Location Adjustments                    |                |                        |                                | .00                    |
| <b>TOTAL POOL VALUE</b>                             |                |                        |                                | <b>\$43,108,964.33</b> |
| Net Producer and Plant Location Adjustments         |                |                        |                                | 5,524.68               |
| 1/2 Unobligated Balance in Producer Settlement Fund |                |                        |                                | 132,597.32             |
| <b>POOL MILK AND ADJUSTED VALUE</b>                 |                | <b>299,710,820</b>     | <b>\$14.4296</b>               | <b>\$43,247,086.33</b> |
| Producer Settlement Fund Reserve                    |                |                        | .0496                          | (148,670.38)           |
| <b>WEIGHTED AVERAGE PRICE</b>                       |                |                        | <b>\$14.38</b>                 | <b>\$43,098,415.95</b> |
| Unregulated Supply Plant Receipts                   |                | 0                      |                                | .00                    |
| <b>UNIFORM PRICE FOR 3.5% MILK</b>                  |                | <b>299,710,820</b>     | <b>\$14.38</b>                 | <b>\$43,098,415.95</b> |

Uniform Price Subject to Location Differentials

**PRODUCER BUTTERFAT DIFFERENTIAL.... \$ .114**

**AVERAGE PRODUCER BUTTERFAT TEST.... 3.54%**

|              | <u>PRODUCER<br/>B.F. LBS.</u> | <u>PERCENT</u> |
|--------------|-------------------------------|----------------|
| Class I      | 3,543,131                     | 33.4           |
| Class II     | 3,010,090                     | 28.4           |
| Class III    | 4,051,694                     | 38.2           |
| <b>TOTAL</b> | <b>10,604,915</b>             | <b>100.0</b>   |

(Minus Figures in parentheses)



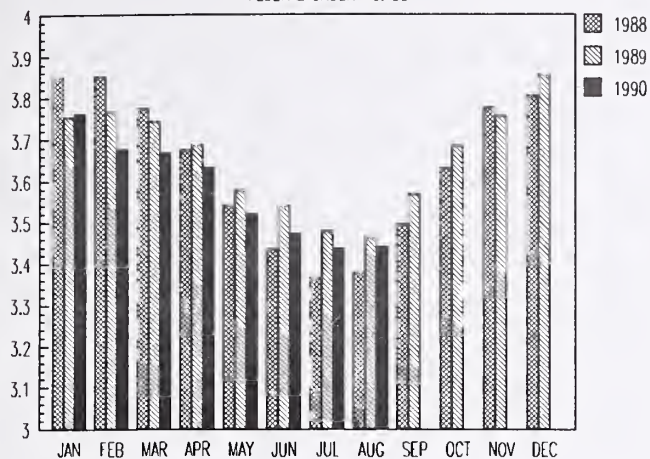
# **MARKET STATISTICS** **FEDERAL ORDER NO. 36**

|                         | AUGUST 1990 |            | JULY 1990 |            | AUGUST 1989 |            |
|-------------------------|-------------|------------|-----------|------------|-------------|------------|
|                         | 3.5% Milk   | B.F. Diff. | 3.5% Milk | B.F. Diff. | 3.5% Milk   | B.F. Diff. |
| <b>PRICE SUMMARY</b>    |             |            |           |            |             |            |
| Producers' Uniform..... | \$14.38     | \$0.114    | \$14.11   | \$0.115    | \$12.94     | \$0.153    |
| Class I.....            | 15.28       | 0.114      | 14.78     | 0.115      | 13.33       | 0.153      |
| Class II.....           | 13.77       | 0.114      | 13.51     | 0.115      | 12.39       | 0.153      |
| Class III.....          | 13.09       | 0.114      | 13.43     | 0.115      | 12.37       | 0.153      |

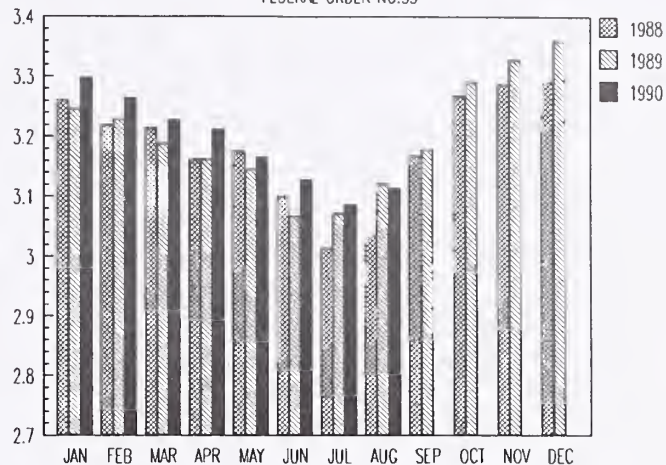
|  | AUGUST<br>1990 | JULY<br>1990 | AUGUST<br>1989 |
|--|----------------|--------------|----------------|
| <b>PRODUCER MILK CLASSIFICATION</b>            |                |              |                |
| <b>TOTAL PRODUCER MILK</b> .....               | 299,710,820    | 308,350,526  | 303,393,207    |
| Percent Class I .....                          | 55.03          | 49.49        | 57.68          |
| Percent Class II .....                         | 12.46          | 13.79        | 14.58          |
| Percent Class III .....                        | 32.51          | 36.72        | 27.74          |
| <b>UTILIZATION SUMMARY</b>                     |                |              |                |
| <b>CLASS I PRODUCER MILK</b> .....             | 164,932,847    | 152,588,838  | 175,007,654    |
| Other Source - Dairy Products .....            | -0-            | -0-          | -0-            |
| Other Source and Beg. Inv.-Fluid .....         | 74,817         | 313,446      | 42,583         |
| Overage .....                                  | -0-            | -0-          | -0-            |
| <b>TOTAL CLASS I</b> .....                     | 165,007,664    | 152,902,284  | 175,050,237    |
| <b>CLASS II PRODUCER MILK</b> .....            | 37,357,598     | 42,526,434   | 44,237,493     |
| Other Source - Dairy Products .....            | 12,692,082     | 12,568,430   | 13,033,999     |
| Other Source and Beg. Inv.-Fluid .....         | 2,879,094      | 824,900      | 1,542,834      |
| Overage .....                                  | -0-            | -0-          | -0-            |
| <b>TOTAL CLASS II</b> .....                    | 52,928,774     | 55,919,764   | 58,814,326     |
| <b>CLASS III PRODUCER MILK</b> .....           | 97,420,375     | 113,235,254  | 84,148,060     |
| Other Source - Dairy Products .....            | 1,072,605      | 1,060,565    | 1,079,610      |
| Other Source and Beg. Inv.-Fluid .....         | 37,720,615     | 39,298,023   | 38,842,219     |
| Overage .....                                  | 11,783         | 541          | 266,139        |
| <b>TOTAL CLASS III</b> .....                   | 136,225,378    | 153,594,383  | 124,336,028    |
| <b>TOTAL RECEIPTS AND UTILIZATION</b> .....    | 354,161,816    | 362,416,431  | 358,200,591    |
| <b>PRODUCTION SUMMARY</b>                      |                |              |                |
| Percent Butterfat - Producer Milk .....        | 3.54           | 3.56         | 3.53           |
| Number Producer Farms .....                    | 4,943          | 4,966        | 5,328          |
| Daily Average Production per Farm .....        | 1,956          | 2,003        | 1,837          |
| Daily Average Producer Milk .....              | 9,668,091      | 9,946,791    | 9,786,878      |
| Daily Average Producer - Class I .....         | 5,320,414      | 4,922,221    | 5,645,408      |
| Percent Producer Milk to Class I .....         | 181.7          | 202.1        | 173.4          |
| Percent Gross Class I to Producer Class I..... | 100.1          | 100.2        | 100.0          |
| Number of Reporting Handlers .....             | 36             | 36           | 37             |
| Value of Producer Milk at Test .....           | \$43,224,033   | \$43,714,724 | \$39,412,497   |
| Income per Farm (Monthly Average).....         | \$8,744        | \$8,803      | \$7,397        |

Eastern Ohio-Western Pennsylvania Marketing Area  
7851 Freeway Circle, Middleburg Heights, Ohio  
MAILING ADDRESS  
P.O. Box 30128, Cleveland, Ohio 44130  
AREA CODE: 216  
TELEPHONE: 826-3220

NON-MEMBER BUTTERFAT AVERAGES  
FEDERAL ORDER NO. 33

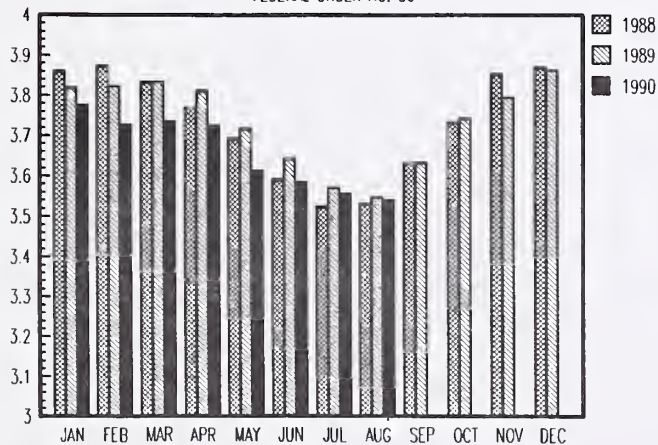


NON-MEMBER PROTEIN AVERAGES  
FEDERAL ORDER NO.33

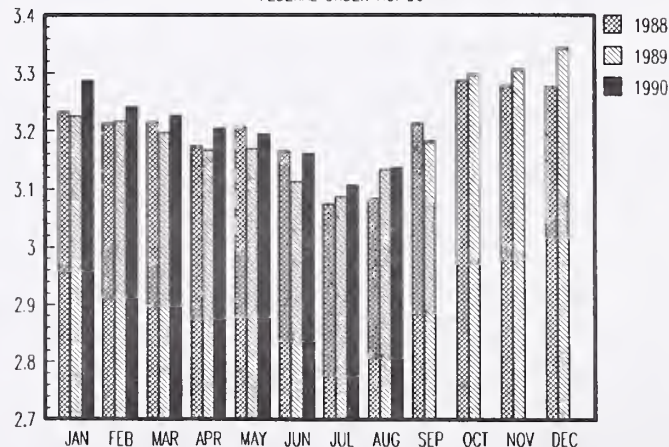


|              | F.O. 33<br>BUTTERFAT<br>AVERAGE | F.O. 33<br>PROTEIN<br>AVERAGE | F.O. 36<br>BUTTERFAT<br>AVERAGE | F.O. 36<br>PROTEIN<br>AVERAGE |
|--------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| SEPTEMBER    | 3.57                            | 3.18                          | 3.63                            | 3.18                          |
| OCTOBER      | 3.68                            | 3.29                          | 3.74                            | 3.30                          |
| NOVEMBER     | 3.75                            | 3.33                          | 3.79                            | 3.31                          |
| DECEMBER     | 3.86                            | 3.36                          | 3.86                            | 3.34                          |
| JANUARY/1990 | 3.76                            | 3.30                          | 3.77                            | 3.29                          |
| FEBRUARY     | 3.68                            | 3.26                          | 3.72                            | 3.24                          |
| MARCH        | 3.67                            | 3.23                          | 3.73                            | 3.22                          |
| APRIL        | 3.63                            | 3.21                          | 3.72                            | 3.20                          |
| MAY          | 3.52                            | 3.17                          | 3.61                            | 3.19                          |
| JUNE         | 3.47                            | 3.13                          | 3.58                            | 3.16                          |
| JULY         | 3.44                            | 3.09                          | 3.55                            | 3.10                          |
| AUGUST       | 3.44                            | 3.11                          | 3.54                            | 3.13                          |

NON-MEMBER BUTTERFAT AVERAGES  
FEDERAL ORDER NO. 36



NON-MEMBER PROTEIN AVERAGES  
FEDERAL ORDER NO. 36



# SELECTED DISPOSITION OF RECEIPTS BY POOL HANDLERS

AUGUST 1990

|                      | FEDERAL ORDER<br>NO. 33<br><i>(thousands)</i> | FEDERAL ORDER<br>NO. 36<br><i>(thousands)</i> |
|----------------------|---|---|
| Whole Milk           | 35,626  | 48,835  |
| Flavored Milk        | 2,013   | 3,515   |
| Skim Milk            | 11,178  | 15,741  |
| Lowfat Milk          | 67,845  | 90,749  |
| Cream/Cream Mixtures | 238   | 993   |
| Cottage Cheese       | 16,271  | 15,366  |
| Hard Cheese          | 6,542   | 104,404                                       |
| Butter               | 2,157   | 2,634   |
| Ice Cream Mix        | 27,221  | 18,886  |

## AVERAGE MARKET PRICES AND QUOTATIONS

AUGUST 1990

|   |         |
|---|---------|
| Wisconsin-Minnesota Price Series 3.5% ..... | \$13.09 |
| Butter (Chicago 92-Score) .....             | 0.9888  |
| Spray-Nonfat Dry Milk (Chicago) .....       | 1.2171  |
| Advance Payment Price for September .....   | \$13.09 |

THE  
MARKET ADMINISTRATOR'S  
BULLETIN

5950 SHARON WOODS BLVD.

P.O. BOX 29226

COLUMBUS, OHIO 43229

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